



Centre Number

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Candidate Number

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General Certificate of Secondary Education
2016

Business Studies

Unit 1
Business Start Up

[GBS11]

MV18

WEDNESDAY 25 MAY, MORNING

Time

1 hour 20 minutes, plus your additional time allowance.

Instructions to Candidates

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

You must answer the questions in the spaces provided.

Complete in blue or black ink only.

Answer **all four** questions.

Information for Candidates

The total mark for this paper is 75.

Figures in brackets printed at the end of each question indicate the marks awarded to each question or part question.

Quality of written communication will be assessed in questions **2(f)** and **3(d)**.

Answer **all** questions

1 Define the following terms:

(a) Unlimited liability [2 marks]

(b) Competitor pricing [2 marks]

(c) plc [2 marks]

(d) Public sector [2 marks]

2

Peter and Jane own a successful ceramic-painting business and coffee shop. They have decided to franchise out their business and are currently advertising for a franchisee.

Their mission statement is:

“To provide the customer with a friendly and relaxing environment in order to inspire creativity through design and painting of pottery”.

(a) Explain why a mission statement is helpful to a business. [2 marks]

(b) Explain **two** advantages for Peter and Jane of franchising their business. [4 marks]

1. _____

2. _____

Bob is interested in becoming a franchisee,
and Peter and Jane have offered him the franchise.

(d) Explain **two** reasons why Bob would be interested in becoming a franchisee. [4 marks]

1. _____

2. _____

(f) Explain **two** entrepreneurial characteristics which Bob would need to have in order to run the franchise successfully. [6 marks]

1. _____

2. _____

3

Quality assurance is important in the production process.

(a) Define “quality assurance”. [2 marks]

(b) Explain **two** reasons why a business might want to gain a quality standard. [4 marks]

1. _____

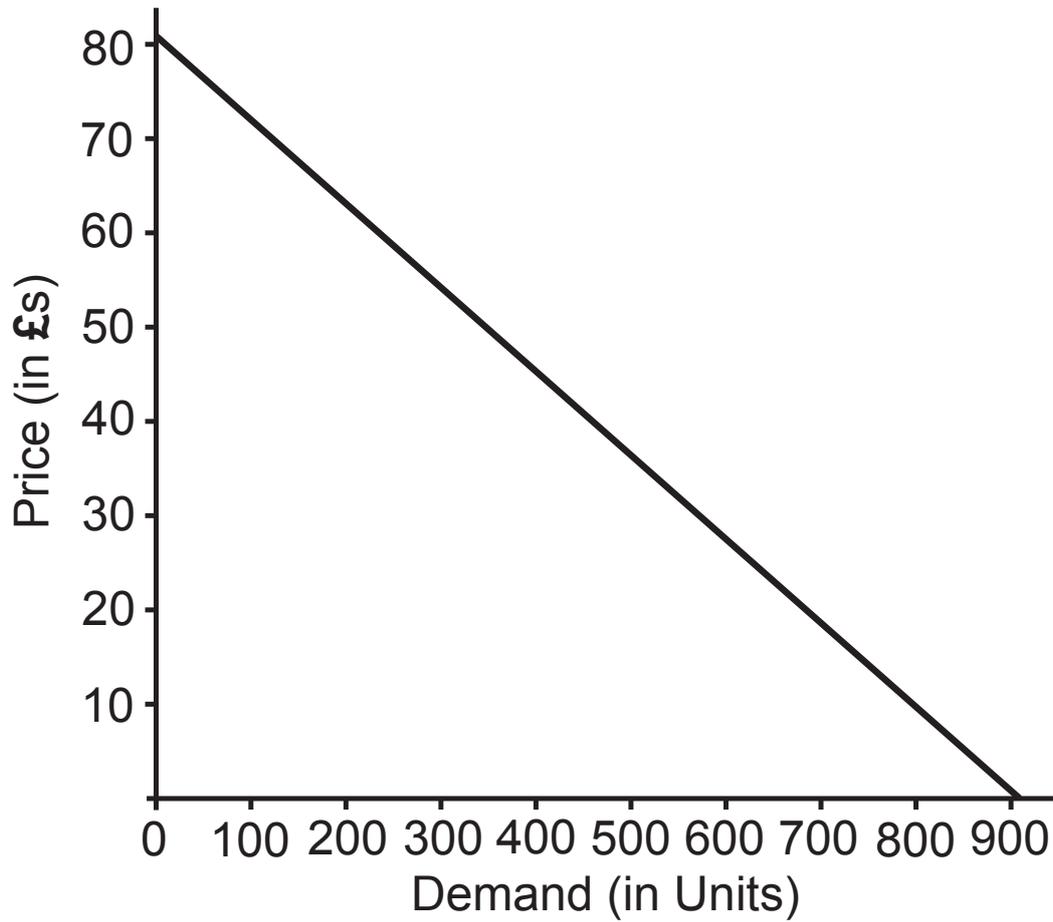
2. _____

(c) Discuss **two** responsibilities of the **employer** relating to Health and Safety. [4 marks]

1. _____

2. _____

4



- (a) Explain the relationship between price and demand which is shown on the above graph. [2 marks]

(b) Explain **two factors** which would affect the price of a product or service. [4 marks]

1. _____

2. _____

- (c) Complete the following table by identifying the most appropriate method of promotion for each situation.
[3 marks]

Situation	Method
A leading brand is launching a new shampoo	
Cookstown is having a summer festival	
A local pet shop has started a dog grooming service	

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(Questions continue overleaf)

(f) Analyse the impact which competition has on any **two** elements of the marketing mix.

Element [1 mark] _____

Impact [4 marks] _____

For Examiner's use only	
Question Number	Marks
1	
2	
3	
4	

Total Marks	
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Examiner Number

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